

House Bill 2271

Sponsored by Representative WRIGHT (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would give a credit against UI taxes to employers whose rate for 2025 is less than their rate for the prior year by at least three percentage points. (Flesch Readability Score: 60.7).

Provides a credit against an employer's unemployment insurance taxes for calendar years 2025, 2026 and 2027 if the employer's tax rate for calendar year 2025 is at least three percentage points less than the employer's tax rate for calendar year 2024.

A BILL FOR AN ACT

1
2 Relating to employer taxes.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 657.**

5 **SECTION 2. (1)(a) Any employer whose tax rate for calendar year 2025 is at least three**
6 **percentage points less than the employer's tax rate for calendar year 2024 shall receive a**
7 **nonrefundable credit against the taxes due from the employer in accordance with this sec-**
8 **tion.**

9 **(b) This section applies only to an employer that had a tax rate determined in accordance**
10 **with ORS 657.430 for calendar year 2020 and did not have a tax rate determined in accordance**
11 **with ORS 657.480 for any calendar year that began on or after January 1, 2021.**

12 **(2)(a) The tax credit allowed under this section shall equal the amount of the taxes due**
13 **from the employer for calendar year 2025.**

14 **(b) Notwithstanding paragraph (a) of this subsection:**

15 **(A) The tax credit may not exceed \$5,000 for any calendar year; and**

16 **(B) No tax credit shall be allowed for any calendar year for which the amount of the tax**
17 **credit would be less than \$100.**

18 **(3) The tax credit shall be allowed against the taxes due from the employer as follows:**

19 **(a) For calendar year 2025, the amount determined under subsection (2) of this section.**

20 **(b) For calendar year 2026, the lesser of:**

21 **(A) The amount determined under subsection (2) of this section; or**

22 **(B) The amount of the taxes due from the employer for calendar year 2026.**

23 **(c) For calendar year 2027, the lesser of:**

24 **(A) The amount determined under subsection (2) of this section; or**

25 **(B) The amount of the taxes due from the employer for calendar year 2027.**

26 **(4) An employer is not eligible for the credit against taxes under this section unless the**
27 **employer:**

28 **(a) Files all wage reports due under ORS 657.571 for calendar years 2024 and 2025 in a**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **timely manner;**

2 **(b) Pays all tax liabilities imposed under this chapter for calendar years 2024 and 2025 in**
3 **a timely manner; and**

4 **(c) As of January 1, 2025:**

5 **(A) Has paid all outstanding unemployment insurance taxes and related liabilities; or**

6 **(B) Has paid all outstanding amounts due according to the terms of a payment plan ac-**
7 **cepted by the Director of the Employment Department for repayment of all outstanding**
8 **amounts described in subparagraph (A) of this paragraph.**

9 **SECTION 3. Section 2 of this 2025 Act is repealed on January 2, 2029.**

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